

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

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### Weekly Highlights and Hot Bites No. 43

#### Report Categories:

Agriculture in the News

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#### Report Highlights:

\*Food inflation key policy worry – EAC\*, \*Inflation at 20-week high due to costlier food items\*, \*Import duty on rice dropped\*, \*Stop Bt Brinjal, Farmer leaders urge PM\*, \*Orissa bans Bt Brinjal citing small farmers interests and biosafety concerns\*, \*View green technologies as global public good: PM\*, \*India to set up institute to study climate change\*.

#### General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been

made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

### **FOOD INFLATION KEY POLICY WORRY – EAC**

The Prime Minister's Economic Advisory Council (EAC) has termed food inflation the key policy concern of the government. It thinks GDP growth will be 6.5 percent in FY 2009/10 (Apr-Mar), although this estimate hinges on good rabi (winter season) crops and a projected rebound in manufacturing in the second half of the fiscal year. The EAC fears agricultural growth is likely to be (-) 2 percent because of a poor monsoon. However, there will not be any shortage of food grains because of adequate stocks with the government. "In the short term, managing inflationary risk, particularly food price inflation, is the biggest challenge to be faced by our policy makers ....An appropriate policy response to contain food inflation must draw from multiple sources", the Council's Economic Outlook 2009-10 notes. (Source: Business Line, 10/22/09)

*Post Comment:* The ECA's Economic Outlook 2009-10 report is available at:  
[http://pmindia.nic.in/Economic\\_Outlook\\_Final.pdf](http://pmindia.nic.in/Economic_Outlook_Final.pdf)

### **INFLATION AT 20-WEEK HIGH DUE TO COSTLIER FOOD ITEMS**

Headline wholesale price index-based inflation surged to its highest level in 20 weeks to 1.21 percent during the week ending on October 10. This was mainly due to a big spurt in year-on-year inflation in primary food articles such as potatoes (104 percent), onions (35 percent), milk (10 percent), pulses (23 percent), and rice (13 percent). Processed food items shot up to 16 percent with sugar recording 45 percent inflation. (Source: Business Line, 10/23/09)

### **IMPORT DUTY ON RICE DROPPED**

Through an official notification issued on October 14, 2009, the GOI has abolished the import duty on rice up to September 30, 2010. (Source: Ministry of Finance, GOI, 10/14/09)

*Post Comment:* The official notification can be accessed from: [www.cbec.gov.in/customs/cs-act/notifications/notfns-2k9/cs118-2k9.htm](http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k9/cs118-2k9.htm)

### **STOP BT BRINJAL, FARMER LEADERS URGE PM**

Several farmer leaders have sought the intervention of Prime Minister Manmohun Singh to

reject the recommendation of the Genetic Engineering Approval Committee (GEAC) for commercial release of Bt brinjal (egg plant). Four prominent farmer's groups meeting under the aegis of Coordination Committee of Indian Farmer's Movement are also planning to meet the Ministers of agriculture, health and environment to put forward their concerns. They will also meet state Chief Ministers and other political leaders. The farmer leaders plan to launch an agitation if the government does not respond to their queries and concerns. (Source: Hindu, 10/23/09)

### **ORISSA BANS BT BRINJAL CITING SMALL FARMERS INTERESTS AND BIOSAFETY CONCERNS**

The Agriculture Minister of the state of Orissa stated that the Orissa government will not allow commercial cultivation of genetically modified (Bt) eggplant as it may be detrimental to the interests of farmers. The state grows over 100 varieties of eggplant which may be impacted by Bt eggplant production. He alleged that the Bt eggplant may help big farmers but adversely affect the interest of the vast majority of the poor and small farmers. (Source: Indian Express, 10/23/09)

### **VIEW GREEN TECHNOLOGIES AS GLOBAL PUBLIC GOOD: PM**

Speaking at an International Conference on Climate Change in New Delhi, Prime Minister Manmohan Singh urged the international community to view environmentally friendly technologies as a 'global public good'. He said that the intellectual property rights associated with such technologies need to be relaxed in such a way that they become accessible and affordable for developing countries. Such a case has been successfully adopted in case of pharmaceutical technologies for HIV/AIDS victims in developing countries, and the same approach should adopted for protecting our planet and its life support system. (Source: Indian Express, 10/23/09)

### **INDIA TO SET UP INSTITUTE TO STUDY CLIMATE CHANGE**

The Ministry of Environment and Forests and Indian Space Research Organization will jointly set up the National Institute of Climate Change and Environment at Bangalore by March 2010. This institute will carry its own research on climate change, global warming and its impact on economy and environment to counter Western claims about the impact of India's green house gas emission. Minister of Environment Jairam Ramesh alleged that most of the studies about climate change and Himalayan glacier meltdown and its impact on India comes from western countries, and many of the studies are biased. The institute will use space based and ground based observation systems to create an indigenous nucleus for research into all issues relating to climate change. (Source: Mint, 10/17/09)

## **RECENT REPORTS SUBMITTED BY FAS/NEW DELHI**

REPORT #	SUBJECT	DATE SUBMITTED
IN9135	Weekly Highlights & Hot Bites, #42	10/15/09
IN9136	Dairy Annual 2009	10/20/09

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